



STATISTICS

***BPM7* Drafting: Review Process, Timetable, and Updates from BOPCOM Meeting**

Balance of Payments Task Team (virtual meeting)

January 24, 2024

Outline

- **Welcoming Remarks**
- **Generic Process for Drafting *BPM7* Chapters**
- **Revised Timetable and BPTT Review**
- **Updates from October 2023 BOPCOM Meeting**
- **Next AEG/BOPCOM Meeting**
- **Questions/Comments**



New Members

- Mr. Robert Leisch (Eurostat)
- Mr. David Bailey (IMF)

Generic Process for Drafting *BPM7* Chapters/Annexes

- 11 versions to be prepared for each chapter—both new and updated
- **Version 5** circulated to BPTT (AEG/ISWGNA in the case of joint chapters)
 - incorporates the suggestions from stakeholders, lead reviewers (and other AEG/BOPCOM members optional comments), and BPM/SNA project managers
 - high-level review seeking approval for global consultation—focus on substantial issues
- Updates to the existing chapters
 - changes to the *BPM6* text are considered based on the recommendations of GNs/clarification notes and SNA clarifications
 - any other changes are not generally considered without a strong justification and majority support of the members
- Responses to BPTT comments on individual chapters—have been circulated to inform members on how their comments were addressed



Revised Timetable

BPM7

- 20 chapters and 14 annexes—seven joint SNA/BPM chapters
- Joint chapters and eight BPM-only chapters which will be substantially revised or prepared early in the process
 - to be posted for global consultation (GC) by May 2024
 - three joint and two BPM-only chapters/one annex already posted for GC
- Remaining five BPM-only chapters—to be posted for GC by July 2024 as part of the **consolidated version** of *BPM7*
 - detailed comments to be requested on five chapters
 - general feedback on consistency and readability
- Annexes—only new and substantially revised to be posted for GC separately
- Aligning the overall process with the *2025 SNA* drafting/review process



Revised Timetable

BPM7

- Consolidated *BPM7* chapters together with the outcomes of GC presented for endorsement—November 5–7, 2024, BOPCOM meeting
- Annexes with the related GC report presented for BOPCOM endorsement—via written procedure in December 2024
- White Cover version for Director, STA’s approval—February 2024
- White Cover version approved by Director, STA
 - to be posted on the *BPM6* update website during March 2025
 - in coordination with the posting of *2025 SNA*



BPTT Review of Draft Chapters/Annexes

- Review completed
 - six chapters of which three are joint and one new annex
- Remaining 14 chapters
 - of which, four are joint chapters
 - to be circulated mostly during January–April 2024
- Annexes: 10 are updates to the *BPM6* annexes and four are new
 - to be circulated mostly during May–July 2024, but some annexes prepared early may be circulated before May
 - Annexes 13 and 14 are to be circulated around September 2024

BOPCOM Meeting: Key Issues Discussed

Forty-second meeting of the BOPCOM was held during October 24–26, 2023, in Bali, Indonesia. Key issues discussed include:

- Treatment of Intellectual Property Products (IPPs) in Balance of Payments
- Use of credit/debit vs. Revenue/Expenditure in balance of payments statistics
- Global Asymmetries in external sector statistics
- Glossary of terms and definitions in macro-economic statistics
- *BPM7/2025* SNA Outreach Strategy
- Recording of Crypto assets in Macroeconomic Statistics
- Treatment of emission permits*
- Treatment of negative equity positions*

* Further details in separate presentations



BOPCOM Meeting: Key Issues Discussed

Treatment of IPPs

- Issue 1: New services category for recording the sale/purchase of marketing assets
- Issue 2: Scope of computer services, and audio visual and related services in *BPM6*, and consistency of their treatment vis-à-vis the service categories of other IPPs
- Issue 3: Treatment of licenses to use and licenses to reproduce (ensuring consistency with the guidance in SNA)
- Consult the Task Team on the update of MSITS on the conceptual integrity, feasibility and materiality of the tentative decisions taken—process completed recently, and the note is being updated for BOPCOM written consultation

Use of credit/debit vs. Revenue/Expenditure

- Following the BOPCOM Meeting and the follow-up discussions of several options, it was agreed to replace credits/debits with:
 - ▶ *credits/revenues and debits/expenditures (for both current and capital accounts)*

Global Asymmetries in External Sector Statistics

- Sharp increase in global discrepancies in external sector statistics in 2020 and 2021 due to the pandemic and the uneven recovery from it reemphasized the need for further efforts to address global asymmetries.
- IMF paper suggested to set up a **Task Team on Global Asymmetries (TT-GA)** to further investigate the issue.
- The TT-GA to be composed of volunteer members of the Committee, as well as representatives from other member countries and international organizations with relevant expertise.
- The TT-GA to organize a workshop combined with a survey on national/regional actions to address bilateral asymmetries since 2015—the outcomes to underpin the paper to be presented to the Committee.
- Committee supported establishing a TT
- Work started with the forming of the TT and the preparation of the Terms of Reference.

Glossary of Terms and Definitions in Macro-economic Statistics

- Initial version prepared by the Communications Task Team (CMTT)
- Grouped together all terms from existing standards and manuals (*2008 SNA*, *ESA 2010*, *BPM6*, *GFSM 2014*, *MFSMCG*, *SEEA 2012*, *IPSAS* and BIS-guidance)
- BPM/SNA editorial teams agreed on a draft glossary with around 850 terms/definitions (including new terms based on the guidance notes) in consultation with stakeholders (GFS, MFS, and SEEA)
- AEG/BOPCOM fully supported the glossary with some minor amendments
- [Preliminary version of the glossary](#) posted on the *BPM6/2008 SNA* update websites
 - living document that may be further improved while drafting the chapters of the *2025 SNA* and *BPM7*
 - translation into the official languages of the United Nations/IMF



BPM7/SNA2025 Outreach Strategy

- The joint outreach strategy aiming to raise global awareness, explain the proposed changes, collect input from compilers, and discuss implementation plans.
- Two rounds of regional outreach seminars:
 - ▶ the first round (virtual): from November 2023 through May 2024
 - ▶ second round (in person): will start after the publication of *BPM7* and the *2025 SNA*.
- First round
 - two seminars (CEMLA and AMF member countries) completed and the seminar for CCAMTAC member countries is ongoing (Feb 23–25)
 - two seminars each covering AFR, APD, and EUR member countries will take place during February-April 2024
- Summary of key changes (in terms of methodology and data requirements) compared to *BPM6*—under preparation

Treatment of Emission Permits

Proposed options

- Option 1. non-produced non-financial assets (contracts, leases and licenses right to use)
 - Option 2. resource lease (financial asset), with resource rent recorded at surrender.
 - Option 3. Contracts, Leases, Licenses with taxes on Production recorded at Auction
 - Option 4(a). Financial Assets with taxes on production recorded at surrender (issuance value)
 - Option 4(b). Financial Assets with taxes on production recorded at surrender (market value)
 - Option 5. split assets, with taxes on production recorded at surrender
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- General agreement on Option 4a—however, there are varying views regarding conceptual and practical implementation of this option
 - Option 4(a)*—suggested by the editorial teams, where a new non-produced non-financial asset is created when the transaction price differs from the issuance price via the other changes in volume account
 - **Workshop (February 23)**—data sources and challenges for estimating emission permits; and discuss and review the conceptual and practical considerations of each option

Next Joint AEG/BOPCOM Meeting (virtual): February 20

Following items will be discussed (tentative)

- Treatment of emission permits: outcomes of the workshop
- Treatment of negative equity positions
- Note on the sustainable finance definitions
- Recording uncompensated asset seizures in macroeconomic statistics

Questions/comments

- *Do you have any comments/suggestions on the review process including the review by BPTT?*
- *Do you have any other comments?*

THANKS!